

## HIPAA INFORMATION SERIES

### 3. Key HIPAA Dates And Tips For Getting Ready

#### HIPAA

#### *A Challenge and Opportunity for the Health Care Industry*

#### INFORMATION SERIES TOPICS

1. *HIPAA 101*
2. *Are you a covered entity?*
- ★ 3. *Key HIPAA dates and tips for getting ready*
4. *What electronic transactions and code sets are standardized under HIPAA?*
5. *Is your software vendor or billing service ready for HIPAA?*
6. *What to expect from your health plans*
7. *What you need to know about testing*
8. *Trading Partner Agreements*
9. *Final steps for compliance with Electronic Transactions and Code Sets*
10. *Enforcement*

This paper is the third in a series of ten developed by the Centers for Medicare & Medicaid Services (CMS) to communicate to the health care provider community key concepts and requirements contained in HIPAA, the Health Insurance Portability and Accountability Act of 1996.

This series focuses in particular on HIPAA's Electronic Transactions and Codes Sets Requirements and what providers need to know to prepare for them. Two important Administrative Simplification compliance dates are right around the corner. If you have not started preparing for HIPAA, it is not too late. But time is running out, so it is important to start now.

#### *Transaction and code set deadlines*

If you are a covered entity, you should be working towards becoming HIPAA compliant as quickly as possible. Remember that CMS is committed to helping providers throughout the HIPAA process. Our immediate goals are to clarify the HIPAA standards and provide the technical guidance necessary to meet those standards. Organizations that exercise "reasonable diligence" and make efforts to comply with HIPAA deadlines are unlikely to be subject to penalties. Your good faith efforts will go a long way as you work towards compliance. Be sure to plan and document your progress as you work towards meeting these two important deadlines.

☐ **April 16, 2003** - *Begin testing your updated software internally (or make sure your clearinghouse or third party biller is doing so) no later than this date to ensure your systems will be able to transmit standardized transactions correctly starting October 16, 2003.*

☐ **October 16, 2003** - *All covered entities must be ready to transmit and receive the covered transactions they conduct electronically in the new standardized HIPAA format. The law also requires all Medicare claims be submitted electronically in the HIPAA standard format starting October 16, 2003 (with the exception of those from small providers and under certain limited circumstances.)*

#### IMPORTANT DEADLINES

**APRIL 16, 2003**

**OCTOBER 16, 2003**

## STANDARD TRANSACTIONS

1. Claims or equivalent encounter information
2. Payment and remittance advice
3. Claim status inquiry and response
4. Eligibility inquiry and response
5. Referral certification and authorization inquiry and response
6. Enrollment and disenrollment in a health plan
7. Health plan premium payments
8. Coordination of benefits
- Pending approval:*
9. Claims attachments
10. First report of injury

## Code Sets

1. Physician services/ other health services- **both HCPCS and CPT-4**
2. Medical supplies, orthotics, and DME- **HCPCS**
3. Diagnosis codes- **ICD-9-CM, Vols 1&2**
4. Inpatient hospital procedures- **ICD-9-CM, Vol 3**
5. Dental services- **Code on dental procedures and nomenclature**
6. Drugs/biologics- **NDC for retail pharmacy**

For more information on CMS' role in helping health care providers achieve compliance, see the other papers in this series. The tenth paper, "Enforcement of HIPAA Standards," discusses CMS' approach to enforcement of the requirements.

## STEP # 1: Review your business operations

The second paper in this series, "Are you a covered entity?" discusses how to determine the role HIPAA will play in your daily operations. In general, if your practice does any of the standard transactions electronically, either directly or through a billing service or other third party, then you will be required to comply with the HIPAA Electronic Transaction & Code Sets Standards, as well as other Administrative Simplification Requirements, such as Privacy and Security.

Now that you have determined that you are a covered entity, it is time to review your office's business operations and identify exactly which standard transactions apply to you.

### ☐ **Identify what your office conducts electronically.** **Do you...**

- Submit claims
- Receive claim payment and remittance information
- Query insurance companies on the status of a claim
- Receive information about the status of a claim
- Query insurance companies about the eligibility of a patient to be covered for services
- Receive information about patient eligibility
- Send referral authorizations
- Receive referral authorizations

### ☐ **Identify your partners.** **Who are your...**

- Health plans
- Clearinghouses
- Software vendors
- Billing services

**IMPORTANT:** Do not assume that your software vendor, clearinghouse, or health plans are prepared. HIPAA compliance requires two-way communication with your partners.

## STEP # 2: Act now to prepare for HIPAA compliance

### ☐ **Get organized.**

Have a plan. Decide how you are going to approach HIPAA. Identify the "who, what, and when" of your plan. Who will you need to work with along the way? What are the key issues? When do they need to be resolved? Make sure the compliance dates are part of this plan and that you leave room for the unexpected.

**Free Information & Tools Available at the CMS Web Site**

<http://www.cms.hhs.gov/hipaa/hipaa2>

- Covered entity decision tool
- Provider readiness checklist
- HIPAA Informational papers
- CMS Outreach ListServe
- HIPAA roundtable audio conference dates
- HHS & other external HIPAA links
- Instructional CDs & videos
- HIPAA FAQs and compliance dates
- Complaint submission form

**For HIPAA Privacy inquires**

- <http://www.hhs.gov/ocr/hipaa/>

or call the Privacy hotline at :  
1-866-627-7748

☐ **Do your research.**

Refer to the other papers in this series for more information on how to move towards HIPAA compliance.

- Educate yourself and your staff on the basics of HIPAA law (paper 1).
- Be aware of the HIPAA deadlines right around the corner (this paper).
- Review your business operations and review the HIPAA Electronic Transactions & Code Sets (paper 4).
- Communicate with your vendors, billing services and clearinghouses. Know what questions you should be asking them (paper 5).
- Insure you have the necessary two-way communication with each of your health plans. This is essential for compliance (paper 6).
- Test your office operations and insure that those who electronically process claims on your behalf have a testing plan in place (paper 7).
- Become an active participant in your Trading Partner Agreements with your health plans (paper 8).
- Take those final steps towards compliance and do not hesitate to get the help you need (paper 9).

Check out the various web sites and additional tools listed here and throughout this series. Web sites are continually updated with the latest important news about HIPAA.

☐ **Delegate responsibility.**

Assign a HIPAA Point Person who will be responsible for making your organization HIPAA compliant. Make sure the individual has the authority and ability to make decisions for your practice.

☐ **Communicate.**

Actively communicate with your health plans, vendors, clearinghouses, and office staff about HIPAA. Compliance is about two-way communication and cooperation. Don't make assumptions about what your business partners are doing – ask.

☐ **Test, test and test.**

Test your systems early and often, while you keep the important HIPAA deadlines in mind. You should begin testing HIPAA transactions by April 16, 2003. Call your health plans and determine when they will be ready to test with you (or your billing service or clearinghouse.) Continually monitor their progress until you are satisfied that you are compliant with the standards. Changes to your practice management software may also affect your internal office procedures. Test your office systems and be certain to train your staff on any changes.

### **STEP # 3 – Check out the many Department of Health and Human Services (HHS) free resources**

#### **❖ CMS Resources**

- Visit our web site for HIPAA tools and educational materials:  
<http://www.cms.hhs.gov/hipaa/hipaa2>
- **FREE HIPAA Roundtable Conference Call** – This is a good source of information and a forum to get answers to your questions on HIPAA Administrative Simplification. Check the CMS website for future call information. <http://www.cms.hhs.gov/hipaa/hipaa2/events/default.asp - roundtable>
- **FREE CMS ListServes** –  
<http://www.cms.hhs.gov/hipaa/hipaa2/regulations/lsnotify.asp> - Sign up to receive email notification when proposed or final rules on HIPAA have been published in the Federal Register.  
<http://list.nih.gov/archives/hipaa-outreach-l.html> Sign up to learn about the latest HIPAA Administrative Simplification outreach materials and events.
- **Medicare free / low cost billing software** – <http://cms.hhs.gov/providers/edi> - If you bill Medicare, there is software available to you free or for a small charge. This software is designed only for Medicare claims. Check the above link for the appropriate contact in your state for more information.
- **CMS E-Mail box** – [askhipaa@cms.hhs.gov](mailto:askhipaa@cms.hhs.gov) – Email questions about Administrative Simplification requirements, except privacy (see below.)
- **CMS HIPAA Hotline** – **1-866-282-0659** – Call CMS with your HIPAA Administrative Simplification questions -- For privacy questions, see below.

#### **❖ Privacy Resources**

- **HHS' Office for Civil Rights (Privacy)**– <http://www.hhs.gov/ocr/hipaa/> - HHS' Office for Civil Rights oversees the privacy requirements.
- Download a model "Business Associate Agreement" at <http://www.hhs.gov/ocr/hipaa/contractprov.html>
- Download "Guidance Explaining Significant Aspects of the Privacy Rule" at <http://www.hhs.gov/ocr/hipaa/privacy.html>.
- Privacy-related questions should be directed to [OCRPrivacy@hhs.gov](mailto:OCRPrivacy@hhs.gov) or call **1-866-627-7748**.